GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:456
ANSWERED ON:17.11.2016
Preferential Rights for Mine Exploration Firms
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Will the Minister of MINES be pleased to state:

(a) whether the Government proposes to reimburse the costs to mining firms that fail to find adequate mineral wealth and offer them a share of the revenue from the blocks where they do strike valuable reserves to make exploration more attractive for private players in the country,if so, the details thereof;
(b) whether the exploration firms are not to enjoy any preferential right to the blocks where they find viable mineral reserves or be eligible for directcompensation from firms that end upoperating the mines they discover, if so,the details thereof and the reasons therefor;and
(c) the present status in this regard along with committees/task forces set up and recommendations received, if any?

Answer

(a) to (c): The Mines and Minerals (Development and Regulation) Amendment Act, 2015 (MMDR Amendment Act, 2015) hastwo specific provisions for mineral exploration viz. Non-exclusive Reconnaissance Permit [NERP] and Prospecting License-cum-Mining Lease [PL-cum-ML] through which private sector can participate in mineral exploration. However, the holder of such NERP shall not be entitled to any claim for grant of Prospecting Licence-cum-Mining Lease (PL-cum-ML) or Mining Lease (ML).
The National Mineral Exploration Policy-2016 (NMEP) proposes incentivization of explorersin the way of providing costs for the operations carried out during mineral exploration and sharing of revenue in case of successful auction of mining blocks.
SBI Capital Market Limited (SBICAP) has been appointed as the consultant by the Ministry of Mines for developing the procedural and contractual framework for engagement of private firms in mineral exploration under the provisions of the NMEP. The conceptual framework prepared by SBICAP has been approved by the Ministry. It was discussed with the stakeholders in a workshop on 15.11.2016 and the operational details are under finalization.
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